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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Central Emergency Response Fund

Report of the Secretary-General

Summary

During the period from 1 January to 31 December 2012, the Emergency Relief Coordinator allocated a record $485 million from the Central Emergency Response Fund to implement life-saving and time-critical activities in emergencies affecting 49 countries and territories. Fifteen humanitarian agencies received funds directly from the Fund to respond to crises around the world. With the adoption of General Assembly resolution 66/119 in December 2011, the loan element of the Fund was reduced from $50 million to $30 million and the balance of the funds, including interest earned, was transferred to the grant element in January 2012. The Fund received more than $427.6 million in pledges and contributions from 75 Member States, 1 regional government and 3 private donors during the reporting period (see annexes). The Fund secretariat continues to make significant progress in implementing a management response plan to the five-year independent evaluation of its activities.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 67/87, entitled "Strengthening of the coordination of emergency humanitarian assistance of the United Nations", in which the Assembly asked the Secretary-General to submit a detailed report on the Central Emergency Response Fund (CERF). The report describes the activities from 1 January to 31 December 2012.

II. Overview of the Central Emergency Response Fund

A. Funding Commitments

2. From 1 January to 31 December 2012, the Emergency Relief Coordinator allocated grants totalling approximately $485 million to 49 countries and territories (see table 1). That was the highest amount disbursed in one year in the Fund's history and reflects significant funding requests for life-saving operations in the Sahel, the Syrian Arab Republic and neighbouring countries, as well as vital funding for underfunded, chronic crises.

3. The United Nations Controller transferred $46.4 million, including accrued interest, from the CERF loan facility to the grant facility, providing the Fund with more funding at the start of 2012 to respond to the humanitarian emergencies. The balance of the Fund's grant component as at 31 December 2012 was $164.7 million. Interest earned during the reporting period amounted to $1.6 million.

Table 1
Central Emergency Response Fund allocations from 1 January to 31 December 2012
(United States dollars)

	Rapid response window	*Underfunded emergency window*	*Total*
Amount approved	326 792 248	158 195 452	484 987 700
Number of recipient countries/territories[a]	44	21	49
Number of projects funded	363	167	530
Average project amount	900 254	947 278	915 071

[a] Certain countries/territories received allocations from both Fund windows and have not been counted twice in the total.

4. The Fund disbursed grants to programmes, funds and specialized agencies of the United Nations system, as well as to the International Organization for Migration (IOM) (referred to collectively as "agencies" in the present report). Grants disbursed during the reporting period included $326.8 million from the rapid response window allocation process and $158.2 million from the underfunded emergency window allocation process.

5. Geographically, CERF resources again focused primarily on Africa ($286.5 million). Agencies in Asia received the second-highest allocation

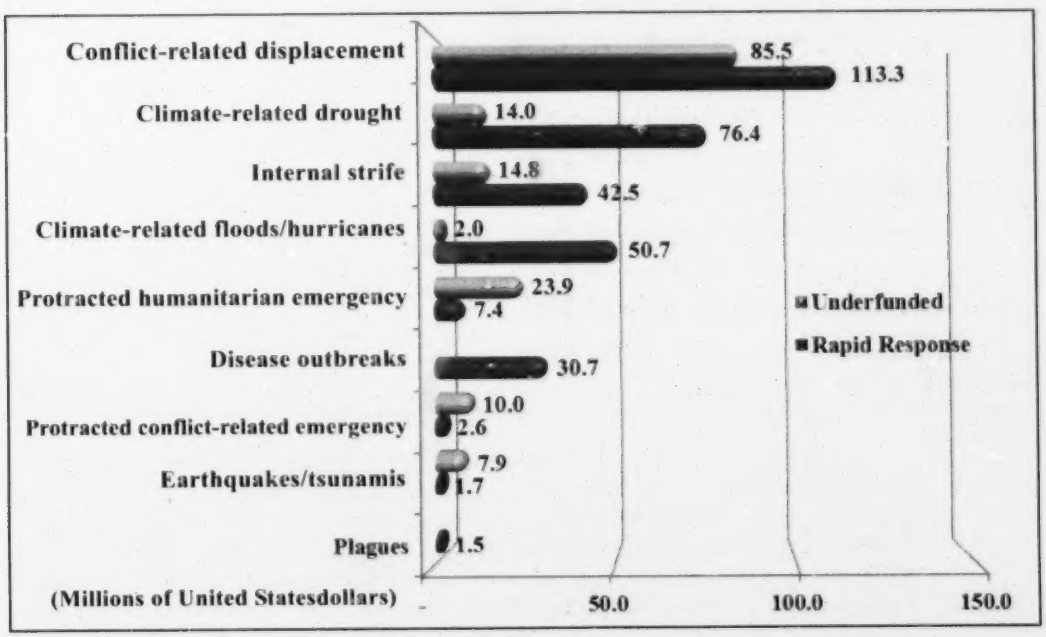
($98.9 million), followed by the Middle East ($71.6 million) and Latin America and the Caribbean ($28.0 million).

6. Overall, the two countries that received the greatest amount of Fund support in 2012 were South Sudan ($40.0 million) and Pakistan ($36.7 million). Another $48.1 million went to the Syrian Arab Republic and the region affected by spillover from that situation.

7. CERF supported several types of emergencies (see figure I). Conflict-related displacements received the greatest share of funding at approximately $198.8 million or 41 per cent of overall funding. That included $21.6 million to the Democratic Republic of the Congo, where agencies such as the World Food Programme (WFP) and the Food and Agriculture Organization of the United Nations (FAO) met the internally displaced peoples' most urgent food security needs. Climate-related drought emergencies in Africa received $90.4 million (19 per cent). That included the Niger ($15.9 million) and Burkina Faso ($9.2 million), where CERF helped agencies address food insecurity and treat severely malnourished children. Some $57.3 million (12 per cent) went to needs resulting from strife within a country, such as humanitarian operations in the Syrian Arab Republic ($29.5 million), Pakistan ($26.8 million) and Mali ($1.0 million). CERF funds were disbursed to 19 countries to respond to multiple emergencies, for example displacement and disease outbreaks in Yemen.

Figure I

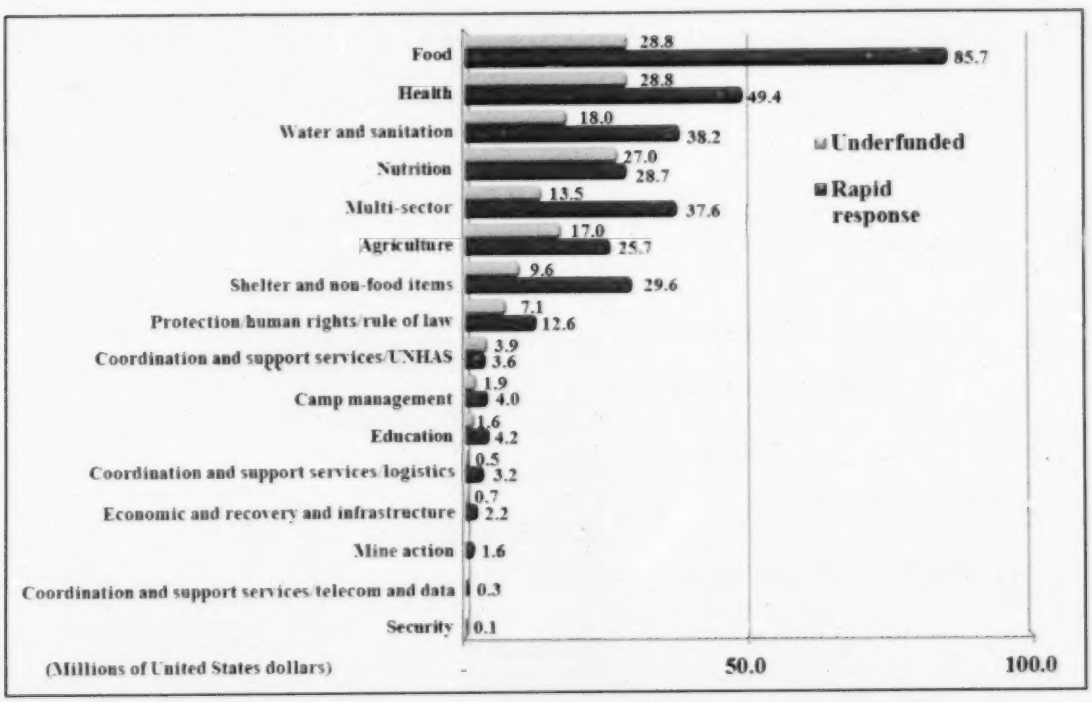
Central Emergency Response Fund allocations by type of emergency and window from 1 January to 31 December 2012



8. Food interventions continued to be the highest-funded sector, receiving $114.5 million in 2012. That represented 23.6 per cent of all CERF funding in 2012, which nearly equalled the percentage allocated to that sector in 2011. The health sector remained the second-largest recipient at $78.1 million, representing 16.1 per cent of the Fund's disbursements during the reporting period, an increase of 1.6 per cent from 2011. More than $56.2 million was allocated to the water and sanitation sector, which was an increase of $15.8 million from the previous year (11.6 per cent in 2012 compared with 9.6 per cent in 2011). The nutrition sector ranked fourth, with $55.7 million (11.5 per cent in 2012 compared with 13.7 per cent in 2011), followed by the multi-sector category at $51.1 million (10.5 per cent in 2012 compared with 12.2 per cent in 2011) (see figure II).

Figure II

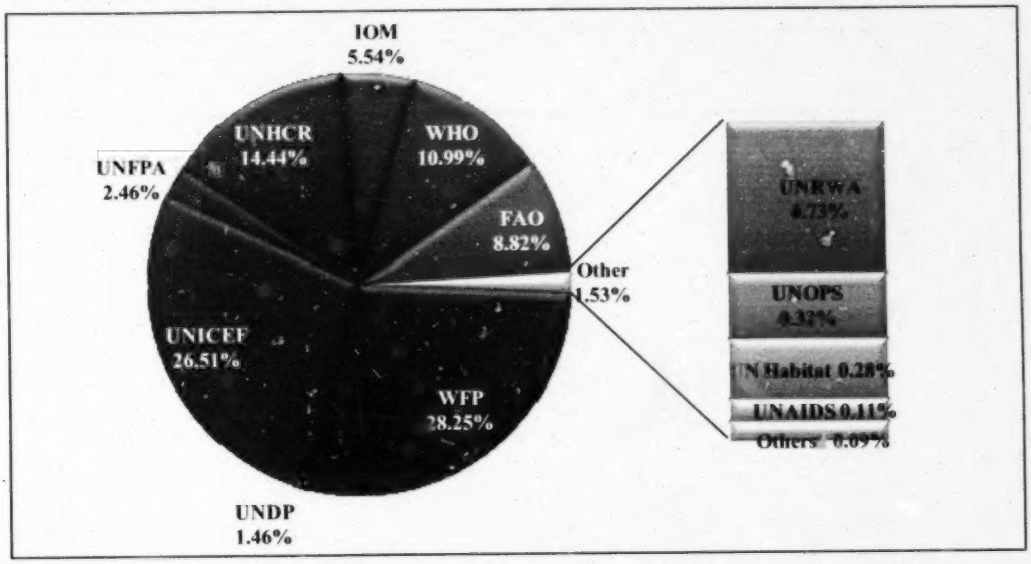
Central Emergency Response Fund allocations by sector and window from 1 January to 31 December 2012



9. CERF provided funds to 15 agencies in 2012 (see figure III). WFP remained the biggest recipient, with nearly $137.0 million, although its share (28.2 per cent) was down slightly from 2011 (30.1 per cent). The United Nations Children's Fund (UNICEF) received $128.6 million or 26.5 per cent (25.2 per cent in 2011), while $70.0 million (14.4 per cent) was disbursed to the Office of the United Nations High Commissioner for Refugees (UNHCR), up from 12.1 per cent in 2011, owing to crises in the Syrian Arab Republic and Mali. Funding to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) more than tripled because of the conflict in the Syrian Arab Republic. CERF increased its

support to the World Health Organization (WHO) and FAO by $13.9 million and $4.6 million, respectively, for a total of $53.3 million and $42.8 million. CERF provided financial support to the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the first time, disbursing $193,151 for the protection of vulnerable infants and women suffering from violence due to the conflict in Mali.

Figure III
Central Emergency Response Fund allocations by agency from 1 January to 31 December 2012



Abbreviations: FAO, Food and Agriculture Organization of the United Nations; IOM, International Organization for Migration; UNAIDS, Joint United Nations Programme on HIV/AIDS; UNDP, United Nations Development Programme; UNFPA, United Nations Population Fund; UN-Habitat, United Nations Human Settlements Programme, UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; WHO, World Health Organization; WFP, World Food Programme.

[a] The category "Others" includes the Office of the United Nations High Commissioner for Human Rights, the United Nations Educational, Scientific and Cultural Organization and UN-Women.

10. In 2012, CERF provided approximately 44 per cent of the income for the humanitarian programme run by the United Nations Population Fund (UNFPA). CERF was the largest donor source of funding for emergency operations run by WHO and UNICEF, accounting for 40 per cent and 15 per cent of their budgets, respectively. CERF was the eighth-largest income source for UNHCR, following other major bilateral donors. CERF also provided 3.5 per cent of the funding for WFP.

11. Because of the availability of more funds in 2012, CERF was able to disburse $158.2 million to 21 countries through its underfunded emergency window allocation process, up from $143.5 million in 2011 (see table 2). That was the largest amount provided in a calendar year, accounting for nearly one third of all allocations from

the Fund, as specified in the window's mandate. During its first round of allocations for underfunded emergencies in 2012, CERF disbursed $103.5 million to agencies in 13 countries in an effort to advance the majority of funding. That enabled resident coordinators and humanitarian coordinators and agencies to strategically plan their humanitarian responses to underfunded priority areas. The second round in 2012 disbursed $54.7 million to eight countries.

Table 2
Central Emergency Response Fund underfunded emergency window allocations from 1 January to 31 December 2012
(United States dollars)

	2012	
Country	*First round*	*Second round*
Afghanistan		9 995 396
Cameroon		1 997 430
Central African Republic	5 997 499	
Côte d'Ivoire	7 958 195	
Chad	7 931 609	
Colombia		2 990 259
Congo	3 920 678	
Democratic People's Republic of Korea	10 965 527	
Democratic Republic of the Congo		11 770 546
Djibouti	4 019 325	
Eritrea	3 998 941	
Ethiopia		9 912 447
Haiti	7 949 515	
Madagascar		1 999 893
Nepal	4 997 385	
Pakistan	14 845 730	
Philippines	3 955 432	
South Sudan	20 016 635	
Sri Lanka		1 994 899
Sudan		13 994 482
Syrian Arab Republic	6 983 629	
Total	**103 540 100**	**54 655 352**

12. With the adoption of General Assembly resolution 66/119, following the recommendation of the Central Emergency Response Fund Advisory Group and the findings of the five-year evaluation, the loan element of CERF was reduced from $50.0 million to $30.0 million. In January 2012, the United Nations Controller transferred $46.4 million, including accrued interest from the CERF loan facility, to the grant facility. The Fund's loan element maintains a $30.0 million reserve to

provide rapid access to funds as agencies wait for donor pledges to be disbursed; however, no agency applied for loans during the reporting period.

B. Key results based on objectives

13. General Assembly resolution 60/124 established CERF for three purposes: to promote early action and response in order to reduce the loss of life, to enhance response to time-critical requirements and to strengthen core elements of humanitarian response in underfunded crises.

1. Promoting early action and response

14. Two thirds of allocations are made via the rapid response window allocation process, which enables CERF to provide immediate life-saving support. The rapid response funds provide a vital kick-start to bolster agencies just beginning to scale up their responses quickly and effectively. During the reporting period, most allocations were made amid rapidly deteriorating complex emergencies and natural disasters.

15. CERF disbursed more than $326.0 million through the rapid response window. That included $29.5 million in funding to nine agencies for the humanitarian situation directly within the Syrian Arab Republic, where ongoing civil instability and conflict led to internal displacement and deteriorating education, health, employment and food security. CERF funding supported a broad array of activities and programmes both within the country and in neighbouring countries. For instance, CERF funds enabled UNICEF to provide basic school supplies and emergency remedial courses for at least 3,000 children. UNHCR received in total more than $13.0 million from CERF to cover the needs of more than 50,000 Syrian refugees in all neighbouring countries and more than 200,000 internally displaced people in the Syrian Arab Republic itself. With CERF funds, UNHCR in Jordan procured 40 prefabricated accommodation buildings and distributed 6,000 mattresses and more than 5,000 blankets. In Lebanon, UNHCR undertook protection and health-care activities. CERF funding helped FAO to provide households with animal feed to sustain their remaining herds of livestock for income. IOM delivered life-saving evacuation assistance to more than 650 vulnerable migrants stranded in the Syrian Arab Republic and provided essential non-food items to 14,000 internally displaced people in the Damascus region. UNRWA used CERF funding to provide critical food and non-food item assistance to Palestinian refugees in the Syrian Arab Republic.

16. In Iraq, CERF funding enabled IOM to distribute more than 500 family emergency kits to improve the living conditions of approximately 2,792 Syrian refugees. UNHCR used CERF funds to establish a refugee camp for Syrian refugees in Al Qaim to accommodate 1,200 families and to ensure the refugees received protection and access to basic rights, adequate shelter, non-food item assistance and basic services.

17. In Uganda, the Fund allocated $6.9 million to seven agencies to provide emergency assistance to respond to refugee arrivals from the Democratic Republic of the Congo when violence escalated in the eastern part of the country. IOM partnered with UNICEF and WHO to ensure that Congolese refugees had safe, clean water supplies and access to waste disposal. The agencies also increased the awareness of health and hygiene, restored basic infrastructure and equipment at

health facilities and repaired schools. WFP provided a food basket consisting of maize meal, pulses, fortified vegetable oil and "Super Cereal" for new refugees. It also supported supplementary feeding programmes through the provision of nutritious food supplements to health centres for the treatment of moderately acute malnutrition. WHO strengthened the management of communicable and neglected tropical diseases among refugees, improved disease surveillance to monitor and respond to epidemic outbreaks in a timely manner, and addressed capacity gaps among health workers, health centres and referral hospitals. UNHCR reinforced its reception and registration capacity for the new refugee arrivals with a $2.8 million allocation and addressed immediate basic food, health and nutrition needs, improved water and sanitation access as well as shelter and infrastructure and provided logistical support.

18. In Yemen, CERF made two allocations for conflict-affected groups and one for a measles outbreak. UNICEF used CERF funds to assist the return of an estimated 60,000 individuals by providing water and installing water, sanitation and hygiene infrastructure at settlements of internally displaced people and promoting hygiene to prevent waterborne disease outbreaks. UNHCR assisted more than 28,600 households through the provision of a core package of non-food items, such as mattresses, sleeping mats, blankets, kitchen sets, water buckets, plastic sheeting and some 10,950 shelter kits, benefiting nearly 54,800 returnees. UNFPA helped prevent excess neonatal and maternal morbidity and mortality among the internally displaced population and worked to reduce and manage sexually transmitted infections. WHO and UNICEF helped vaccinate children aged 6 months to 10 years against measles and polio. They also dispensed vitamin A to more than 90 per cent of the targeted children (from 6 months to 5 years old).

19. In the Comoros, the United Nations Development Programme (UNDP) used CERF funds to complement the efforts of the Government to help families whose homes were destroyed by floods or who lacked access to adequate shelter by providing plastic sheeting for affected and host families. Similarly, WHO conducted rapid health and nutrition assessments and procured and distributed essential medicines, basic medical and laboratory supplies and equipment to flood-affected health facilities WHO also facilitated the temporary deployment of additional health staff to deliver services in flood-affected health facilities.

2. Enhancing responses to time-critical requirements

20. Drawing on a review of the humanitarian response to the crisis in the Horn of Africa in 2011, CERF disbursed $104.5 million to the Sahel region through the underfunded and rapid response window allocation processes. That included rapid response funding of $24.6 million to the Niger, $14.9 million to Burkina Faso, $14.0 million to Mali, $11.0 million to Mauritania, $9.9 million to Chad, $8.8 million to Cameroon, $6.9 million to Senegal and $4.8 million to the Gambia.

21. In the Niger, CERF disbursed $24.6 million to tackle a series of complex crises, including drought and food insecurity, a cholera outbreak, floods and refugee movement due to conflict in Mali. WFP used CERF funds to provide more than $10.3 million in life-saving cash transfers for six months to an average of 184,121 people per month living in vulnerable urban areas. That helped improve food consumption among populations whose food security and nutrition were affected by the complex, slow-onset crisis. FAO supported more than 96,000 families through

the provision of 125,000 goats and 600 tons of animal feed to pastoralist households, as well as animal feed and animal deworming and vaccination support. Those efforts not only protected herders' livelihoods by reducing animal deaths, but also ensured a reliable supply of milk, especially for children under 5.

22. In Paraguay, heavy rains led to severe flooding that resulted in a deterioration of food security and nutrition and a loss of livelihoods. UNICEF used CERF funds to distribute water purification kits, rehabilitate latrines and raise awareness regarding hygiene and waste disposal. WFP provided general food distributions of life-saving and preventative assistance to affected families. Priority was specifically given to children under the age of 5 and women from indigenous groups.

23. The Philippines suffered significant damage from Typhoon Bopha in December 2012, displacing more than 987,000 people and leaving them in need of shelter and food. UNICEF used some of the funds from CERF to ensure that affected populations, particularly children, women and other vulnerable groups, had access to safe water, basic sanitation and hygiene promotion. UNHCR helped protect persons affected by the typhoon and identified solutions for the needs of displaced people. IOM provided emergency shelter support and camp coordination and camp management for 100,000 people affected by the typhoon. WHO provided life-saving health services, such as increased access to primary health care.

24. In Cameroon, CERF funding enabled WHO to improve the management of malnutrition-related conditions among children under age 5 and women who were pregnant and/or nursing, as well as to increase the capacity of health districts to address diseases and malnutrition cases.

3. Strengthening core elements of humanitarian response in underfunded crises

25. The Fund's underfunded emergency window allocation process provides funds to chronic emergencies lacking adequate funding. As stated in the bulletin of the Secretary-General on the establishment and operation of the Fund (ST/SGB/2010/5) one third of the Fund's grant facility is assigned to the underfunded emergency window allocation process annually.

26. South Sudan was the recipient of the largest amount of funding from the underfunded emergency window allocation process, receiving $20 million. The new country was confronted with a series of humanitarian challenges, including rising numbers of refugees and internally displaced people, periodic flooding, disease outbreaks and food insecurity. A $1 million CERF grant enabled UNICEF to vaccinate children younger than 59 months against polio and measles, improved the skills of health workers and increased the availability of vaccines. CERF provided more than $3 million to FAO to improve food security and to protect the livelihoods of at-risk populations. IOM used CERF funds to obtain non-food item kits for 150,000 people and supplementary shelter support for up to 45,000 people from the most vulnerable populations. WHO used CERF funding to reduce morbidity and mortality among displaced people, returnees, refugees and host communities and to respond to the rapidly deteriorating health situation in high-risk and hotspot areas. UNHCR used CERF funds to deploy technical teams to assess and initiate interventions in partnership with relevant authorities and sector leaders and to procure and distribute basic relief items and establish camps.

27. An estimated 92 of the 140 communes in Haiti were affected by Hurricane Sandy. The hurricane's impact generated a number of critical humanitarian crises, including food insecurity, severe acute malnutrition and the spread of cholera. UNICEF used CERF funding to reduce mortality and morbidity due to the lack of sanitation services, and IOM received CERF funds to provide life-saving support to extremely vulnerable internally displaced people remaining in camps. Those activities included monitoring, identification and responses addressing water, sanitation and hygiene, health and protection needs in vulnerable camps.

C. Central Emergency Response Fund administration and management

28. The Central Emergency Response Fund Advisory Group was established following the report of the Secretary-General on improving the Central Emergency Revolving Fund (A/60/432) and endorsement by the General Assembly. It provides expert guidance and advice to the Secretary-General and the Emergency Relief Coordinator on the Fund's use and impact and makes recommendations on its replenishment.

29. The CERF Advisory Group met in Geneva in May 2012 and again in October 2012. During its meeting in May, the Advisory Group met with a group of resident coordinators and humanitarian coordinators to discuss their roles in coordinating the humanitarian community's response to sudden-onset disasters. Both meetings considered a number of policy issues, including funding for internally displaced people and refugees in chronic conflicts, the quality of resident coordinator/humanitarian coordinator reporting, the CERF secretariat's development of a risk action plan and the Fund's performance and accountability framework.

30. The Fund's performance and accountability framework is used to formally define, manage and monitor performance and accountability processes related to the Fund's operation. The framework includes a logic model based on the Fund's three primary objectives and includes indicators for measuring its performance. The framework specifically calls for three to five independent, country-level reviews of the Fund's added value per year.

31. In 2012, the CERF secretariat commissioned a performance and accountability framework review of the added value of CERF assistance to the humanitarian responses to the Horn of Africa drought, the Ivorian refugee crisis and the complex needs in the Philippines. The reviews were facilitated by field visits to Côte d'Ivoire, Djibouti, Ethiopia, Ghana, Kenya, Liberia, Somalia and the Philippines. All three reviews confirmed the importance of CERF funding and documented the added value of the Fund in supporting humanitarian response in each emergency. Several common findings emerged, most notably that support from the Office for the Coordination of Humanitarian Affairs of the Secretariat and the CERF secretariat had been instrumental in preparing CERF requests and that the Fund had been particularly crucial to enabling humanitarian response in smaller, less visible emergencies. That was specifically the case for Djibouti, Ghana and the Philippines, where there was limited donor presence. In those countries, CERF acted as one of the largest sources of humanitarian funds.

32. Similarly, the CERF secretariat contracted a consultant to conduct an independent review of the performance and accountability framework. The process should be

completed before the end of the second quarter of 2013, after which a plan will be developed for further improving the framework.

33. In an effort to continually review and improve its processes and based on a recommendation from the five-year evaluation of the Fund, the CERF secretariat, in 2012, commissioned an independent analysis of the underfunded emergency window allocation process to review the current methodology used for country selection and apportionment and to identify potential alternative or improved methods. Two independent consultants conducted the review between May and September 2012.

34. Overall, the review concluded that the current processes behind the underfunded emergency window allocations are fundamentally sound, consisting of two rounds of underfunded emergency allocations each year, coinciding with the publication of the annual consolidated appeal processes and their mid-year review. It also concluded that the decision to allocate more funds during the first round was beneficial. Furthermore, the review found that the country selection process for underfunded emergency window allocations was based upon the best available assessments of humanitarian needs and financial reporting, emphasizing that the selection processes provided a solid model for evidence-based funding allocation, worthy of consideration for adoption by donors who operate from a global level analysis.

III. Funding levels

35. In 2012, CERF had received $427.6 million in pledges and contributions from Member States and the private sector. During the CERF high-level pledging conference in December 2012, 40 Member States and 1 observer pledged more than $383.4 million to the Fund for 2013, which represents an increase of nearly $9 million over the amount pledged during the previous year's conference ($374.6 million for 2012). Eleven Member States increased their pledged amounts for 2013 compared with their 2012 contributions. Since its inception, CERF has received support from 125 of 193 Member States and observers, as well as from private donors and the public. Forty-one countries are both contributors to and recipients of the Fund.

IV. Five-year evaluation

36. In 2011, the independent five-year evaluation mandated by General Assembly resolution 63/139 provided Member States with a comprehensive overview of the Fund's activities from 2006 to 2011. It included an evaluation of the Fund's ability to meet its objectives, its administration, the needs-assessment process and the allocation criteria. The evaluation highlighted the Fund's strengths and weaknesses and provided 19 recommendations at the policy and operational levels to improve its effectiveness. The CERF secretariat developed a management response plan to follow up on the evaluation's recommendations. That was done in consultation with stakeholders inside and outside of the United Nations Secretariat and was approved by the Emergency Relief Coordinator.

V. Update on the management response plan

37. Before each CERF Advisory Group meeting, the CERF secretariat updates the management response plan to reflect the implementation status of follow-up actions and shares the updates with the Advisory Group. The most recent version of the management response plan is also available on the CERF website (available from http://cerf.un.org).

A. Recommendations for the Emergency Relief Coordinator

38. **Recommendation 1: Where emergency response fund and/or common humanitarian fund pooled fund systems operate, integrate Central Emergency Response Fund planning, implementation and monitoring processes based on existing good-practice examples.** The recommendation was accepted. The CERF secretariat reviewed and provided input into the new common humanitarian fund monitoring and reporting framework as well as the global common humanitarian fund and emergency response fund guidelines. In addition, the CERF secretariat has prepared an overview paper taking stock of the main findings on CERF and emergency response fund/common humanitarian fund complementarity from a variety of reports, studies and evaluations, both externally mandated and commissioned by the CERF secretariat or the Office for the Coordination of Humanitarian Affairs. On the basis of the overview paper, a guidance note was drafted outlining a number of recommendations to improve the harmonization between CERF and country-based pooled funds. The guidance was discussed with managers of country-based pooled funds at the pooled fund managers workshop hosted by the Office for the Coordination of Humanitarian Affairs in April 2013, after which it will be finalized and communicated to all management teams of country-based pooled funds. The guidance was presented to the CERF Advisory Group at its meeting in May 2013.

39. In addition, CERF launched a revised reporting format and guidance for the annual resident coordinator/humanitarian coordinator CERF country reports. The new rubric asks country teams to explain whether and how CERF processes were harmonized with those of the country-based pooled funds, where they exist. Independent country reviews conducted under the CERF performance and accountability framework specifically address issues related to the complementarity of CERF with other pooled funds. In 2012, country reviews in Ethiopia and Somalia found considerable complementarities between CERF and the country-based pooled funds. In addition, CERF uses regular and ad hoc workshops and training involving practitioners involved with country-based pooled funds (e.g., the annual global pooled fund manager workshop hosted by the Office for the Coordination of Humanitarian Affairs) to discuss issues regarding pooled fund complementarity.

40. **Recommendation 2: Provide the resident coordinators and humanitarian coordinators with a formal mandate to monitor the implementation of all United Nations-managed pooled funds (including the Central Emergency Response Fund) by recipient agencies.** The recommendation was partially accepted. In its initial response, the CERF secretariat noted that it interpreted the recommendation as highlighting the need for increased support to resident coordinators and humanitarian coordinators in exercising their monitoring function. Therefore, the CERF secretariat considered recommendation No. 8 to be the main recommendation pertaining to country-level monitoring of activities funded by CERF. The response to recommendation No. 2 is covered under recommendation No. 8 (see para. 46).

41. **Recommendation 3: Develop a process for underfunded emergency envelopes that promotes more effective and efficient use of Central Emergency Response Fund funds.** The recommendation was accepted. The CERF secretariat commissioned a review of the underfunded emergency window allocation process. Two consultants finalized a review report in October 2012, which was discussed with the CERF Advisory Group at its meeting in October 2012. The review concluded that the current processes behind the underfunded emergency window allocation process are fundamentally sound and there is no need to replace or to significantly remodel them. The review put forward two broad recommendations for consideration, one related to the involvement of non-governmental organizations and one related to improving the quality of financial data in the Financial Tracking Service. The CERF secretariat subsequently prepared a plan for follow-up actions to the recommendations. It will brief the Advisory Group at its meeting in May 2013.

42. **Recommendation 4: Make membership of the Central Emergency Response Fund Advisory Group more representative of the humanitarian sector, including through appropriate representation of advisers with operational backgrounds in Fund-recipient countries.** The recommendation was accepted. The Fund continues to place great importance on ensuring the diversity of the Advisory Group. An internal review of the selection process was conducted and the Emergency Relief Coordinator endorsed the results. The note verbale to Member States asking for membership nominations for 2012 was accordingly revised with special emphasis on gender and geographic diversity. A call for new nominations was made in June 2012 and nine new members joined the Advisory Group for its meeting in October 2012.

43. **Recommendation 5: Strengthen the funding base by promoting it to existing and potential donors as an efficient, effective and accountable humanitarian funding mechanism.** The recommendation was accepted. The Fund's membership has grown to 125 Member States and observers, regional governments and the private sector. The CERF secretariat recognizes the importance of ensuring an expanded, more diverse donor base and has revised its resource mobilization strategy accordingly. A draft of the strategy was shared with the CERF Advisory Group at its meeting in October 2012. The strategy focuses on four pillars: strengthening traditional Government partnerships, building and nurturing new relationships, targeting public messaging and integrating the internal strategy. A strategy to further engage the private sector for funding is under development.

44. **Recommendation 6: In the screening process for submissions relating to chronic emergencies, request information on how short-term funding provided by the Fund would support longer-term vulnerability-reduction programmes, which are usually Government-led.** The recommendation was partially accepted. The Fund reviewed a sample of funding applications and annual reports to identify demonstrated links with longer-term recovery and vulnerability-reduction efforts. Based on the findings, the CERF application template was revised to include specific references to information on linkages between activities funded by CERF and longer-term programmes in the country. CERF will review and assess the information provided as part of the overall proposal review process.

B. Recommendations for the Central Emergency Response Fund secretariat

45. **Recommendation 7: Develop prioritization process guidance for United Nations resident coordinators and humanitarian coordinators and cluster coordinators.** The recommendation was accepted. The CERF secretariat is preparing a draft guidance document that outlines the process for stakeholders involved in prioritizing country-level activities. The guidance is informed by a document review and consultations with a wide range of stakeholders as well as the identification of case studies and good practices. The guidance will be circulated to selected stakeholders in the second quarter of 2013 for testing and feedback. The CERF secretariat is also establishing a humanitarian financing community of practice as an additional resource for field staff. It will be launched as a pilot for the CERF underfunded emergency window allocation process during the second half of 2013. The final decision on whether to expand the community of practice to more practitioners will depend on the results of the pilot programme.

46. **Recommendation 8: Strengthen Central Emergency Response Fund monitoring and learning systems at the country level to improve the Fund's impact.** The recommendation was partially accepted. The CERF secretariat fully agreed with the importance of accountability and the need for monitoring and learning systems that help to maximize the Fund's impact and has taken the steps set out below.

47. The CERF secretariat revised the template and rubric for the annual resident coordinator/humanitarian coordinator narrative reports on the use of CERF funds. The new format emphasizes the importance of conducting interactive and inclusive consultations at the country level when preparing the report.

48. The CERF secretariat also developed after-action review guidance and templates in 2012. The after-action review process should be closely linked to the annual reporting by resident coordinators and humanitarian coordinators, and after-action reviews should help to lay a strong foundation for the resident coordinator/humanitarian coordinator reports. In 2013, the after-action review format will be piloted and field tested for a number of rapid-response grant packages that expire after the conclusion of the resident coordinator/humanitarian coordinator reporting process.

49. A consultant will conduct an independent review of the CERF performance and accountability framework, which should be concluded before the end of the second quarter of 2013. Following the recommendations of the review, the CERF secretariat will explore possible improvements to the framework.

50. The CERF secretariat is also exploring ways to strengthen CERF monitoring and learning systems by linking into existing systems and processes, including initiatives under the Inter-Agency Standing Committee transformative agenda, monitoring systems for humanitarian operations and country-based pooled funds and agencies' own internal monitoring and evaluation activities.

51. **Recommendation 9: Commission, within one year, a study of the partnership arrangements of the different United Nations agencies with non-governmental organization implementing partners.** The recommendation was partially accepted. CERF discussed the study on partnership arrangements with partner agencies. There

was limited support for the initiative, however, given that a number of agencies have already taken steps to improve their partnership arrangements with implementing partners. Instead, the CERF secretariat worked with agencies on a bilateral basis to secure more qualitative information on subgranting procedures and how CERF funds fit into their broader implementation arrangements. The CERF Advisory Group reviewed the initial results of the research in May 2012. CERF continues to work closely with agencies on those issues and will use information and findings from the 2013 performance and accountability framework country reviews and future annual resident coordinator/humanitarian coordinator reports to inform consultations. CERF will synthesize findings and discuss them with the Advisory Group at upcoming meetings.

52. **Recommendation 10: Better document and disseminate the reasoning behind allocation decisions.** The recommendation was accepted. The CERF secretariat seeks to ensure through the proposal review processes that information from all levels of the decision-making process has been adequately included and presented in CERF submissions. In addition, the revised CERF application template features improvements to enhance the quality of information.

C. Recommendations for the Office of the Controller

53. **Recommendation 11: Allocate a percentage of Central Emergency Response Fund funds from the 3 per cent of the United Nations Secretariat management fees to reinforce the monitoring capacity of the resident coordinators and humanitarian coordinators and the Office for the Coordination of Humanitarian Affairs at the country level.** Response pending. The Office for the Coordination of Humanitarian Affairs participated in a working group established by the United Nations Controller to discuss the issue of cost recovery. The group examined the entire complexities of cost recovery in the United Nations Secretariat, including programme support costs. An informal working group on programme support costs met in September 2011 and summarized its deliberations in a memorandum from the Controller dated 6 June 2012. Regarding the distribution of programme support costs revenue between the programme/implementing office and the Office of the Controller, the memorandum stated that the Controller or duly designated official may allocate a portion to the programme/implementing office and retain a portion for central administration and initiatives pertaining to the United Nations as a whole. In April 2013, the Emergency Relief Coordinator met with the Office of the Controller to discuss the distribution of revenue from programme support costs. It was agreed that the Deputy Controller would meet with the CERF Advisory Group to discuss the matter in greater detail.

54. **Recommendation 12: The Central Emergency Response Fund loan fund should be reduced to $30 million and the balance transferred to the grant window**. The recommendation was accepted and has been implemented. On the basis of a policy proposal developed by the CERF secretariat in response to the recommendation, the CERF Advisory Group recommended a reduction in the size of the loan element to $30 million at its October 2011 meeting. Following the adoption of resolution 66/119 by the General Assembly in 2011, $46.4 million, including accrued interest, was transferred from the loan element to the grant element in January 2012.

D. Recommendations for donors

55. **Recommendation 13: In at-risk countries where there are no alternate United Nations pooled fund mechanisms apart from the Central Emergency Response Fund, donors should support the establishment of an emergency response fund or other type of pooled funding that is directly accessible by non-governmental organizations**. The recommendation was partially accepted. Establishing a country-based pooled fund often makes an important contribution to the local humanitarian architecture. A detailed examination is still required on a case-by-case basis, however, as not all country contexts may be appropriate for country-based pooled funds.

56. **Recommendation 14: Ensure that future evaluations look collectively at the Fund and other United Nations pooled fund mechanisms**. The recommendation was accepted. The revised terms of reference for the independent country reviews under the CERF performance and accountability framework specifically include research questions related to the complementarity of CERF with other pooled funds. In 2012, the CERF secretariat commissioned performance and accountability framework reviews for the Horn of Africa (Djibouti, Ethiopia, Kenya and Somalia), the response to the Ivorian refugee crisis (Côte d'Ivoire, Ghana and Liberia) and the Philippines. In countries with a pooled fund (Ethiopia, Kenya and Somalia), consultants were asked to examine their interaction and complementarity with CERF. In Ethiopia and Somalia, the reviews found considerable complementarities between CERF and the country-based pooled funds (the Humanitarian Response Fund in Ethiopia and the Common Humanitarian Fund in Somalia). Findings from the reviews were incorporated into the performance review paper referred to under recommendation No. 1 (see para. 38).

E. Recommendations for cluster lead agencies

57. **Recommendation 15: Integrate the performance measurement of United Nations-managed pooled funds into cluster performance systems.** The recommendation was partially accepted. The Inter-Agency Standing Committee reference module for cluster coordination at the country level, released in August 2012, includes cluster support to the humanitarian coordinator in prioritizing and making funding decisions related to pooled funds as a core responsibility of the cluster. In addition, the frameworks (terms of reference and guidance documents) for the individual funds establish the roles and responsibilities of key stakeholders in the pooled fund processes, including cluster leads and cluster members. The frameworks for the various pooled funds therefore constitute the common agreements for participating organizations and other stakeholders and, as such, they define a common understanding of the roles and responsibilities of relevant entities.

58. **Recommendation 16: Disseminate and promote good practice examples**. The recommendation was partially accepted. The CERF secretariat has put in place an internal system for systematically identifying good practice examples for inclusion in a repository. The good practice repository is used to inform CERF training and guidance development and to produce good practice examples for sharing with CERF practitioners.

F. Recommendations for the agencies

59. **Recommendation 17: Conduct an evaluation of agency use of Central Emergency Response Fund funds within 18 months to determine what internal factors, including partnership policies and practices, influence the effectiveness of the Fund's projects**. The recommendation was partially accepted. The CERF secretariat contacted agencies regarding the possibility of conducting evaluations of their use of CERF funds similar to the evaluation undertaken by FAO in 2010. IOM conducted such an evaluation in 2012 and shared a final draft report with the CERF secretariat in March 2013. WFP is planning to make CERF a component of a broader review scheduled for 2013, and UNHCR may launch a review related to its use of CERF funds in 2013. In addition, the CERF secretariat liaised with agencies regarding the possible inclusion of standard questions specific to CERF for evaluations of selected projects or programmes implemented with the help of CERF funds. FAO included a number of such questions on a trial basis in a project evaluation in Sri Lanka. The final evaluation report became available in October 2012.

60. **Recommendation 18: Ensure the development and implementation of emergency procedures for disbursing funds to implementing partners**. The recommendation was partially accepted. Subgranting of CERF funds is under the purview of the recipient United Nations agencies, and the CERF secretariat does not have any direct oversight of that. The CERF Advisory Group and the CERF secretariat have worked closely with agencies on the issue, however. Under the revised template for the resident coordinator/humanitarian coordinator reports on the use of CERF funds in 2011, agency reporting on the forward disbursement of funds to international and national non-governmental organizations and governmental implementing partners, as well as notification of the start date of implementing partners' activities, improved significantly. Agencies reported on more than 600 subgrants, up from fewer than 120 in 2010. Aware that the transfer of funds is not a sufficient representation of implementation timeliness, the CERF secretariat has worked closely with agencies to understand their internal subgranting processes to better capture how they link with CERF programme implementation.

61. **Recommendation 19: United Nations agencies that do not use internal advance mechanisms in conjunction with Central Emergency Response Fund funding should establish interactivity and complementarities between them and the Fund, in order to speed up the start-up of projects**. The recommendation was partially accepted. The CERF secretariat developed a concept note on the potential use of the CERF loan element to support the establishment of agency-specific internal advance mechanisms where not already present and shared it with partner agencies. It was discussed with relevant agencies in 2012 to gauge the interest in and need for such a mechanism, and there appears to be limited interest in exploring the modality further. The CERF secretariat, therefore, does not consider the use of the loan element to establish such facilities viable at present.

G. Five-year evaluation: next steps

62. The CERF secretariat plans to implement all recommendations of the five-year evaluation directly under its control by the second quarter of 2013. In addition, the CERF secretariat has launched initiatives to address broader issues from the evaluation that are linked to system-wide processes. The CERF secretariat, therefore,

considers that the management response plan has served its purpose and proposes closing the plan at the meeting in the fourth quarter of the CERF Advisory Group. Longer-term initiatives linked to the recommendations of the evaluation will be transferred to the Fund's regular work-planning process. That plan of action will be discussed with the Advisory Group at its meetings in May 2013 and in the fourth quarter of 2013. The CERF secretariat will provide the Advisory Group with a complete update and a plan for continuation of the remaining management response plan initiatives. The CERF secretariat will continue to update the Advisory Group at its biannual meetings on progress and developments for longer-term initiatives that relate to the five-year evaluation recommendations.

VI. Conclusions

63. During the 2012 reporting period, CERF achieved its three overall objectives. CERF disbursed the highest levels of funding in its history, providing significant assistance through its rapid response and underfunded emergency window allocation processes. The Fund was influential in responding quickly and strategically to the humanitarian crises in the Sahel and was at the forefront of responses in the Syrian Arab Republic and South Sudan. Independent country reviews under the CERF performance and accountability framework of the Horn of Africa drought, the Ivorian refugee crisis and the complex needs in the Philippines reaffirmed the Fund's added value in saving lives and livelihoods.

64. CERF continues to build on the findings of the five-year evaluation and to make progress on implementing the management response plan's follow-up actions. The CERF secretariat will maintain its focus on fulfilling the objectives of the management response plan that are directly under its control by the second quarter of 2013. In addition, the CERF secretariat has also launched initiatives to address broader issues raised by the five-year evaluation that are linked to system-wide processes.

65. Donor commitments to CERF continue to be reflected in their financial contributions, with more than $427.6 million in pledges and contributions in 2012. CERF greatly appreciates this support, especially given the challenging global financial circumstances. CERF will strive to maintain significant levels of funding in 2013 and will identify ways to strengthen and broaden support from Member States, private partners and the general public.

Annex I

Central Emergency Response Fund grant element: statement of income and expenditure and changes in reserves and fund balances for the period from 1 January to 31 December 2012

(United States dollars)

Income	
Voluntary contributions	427 346 970
Allocations from other funds[a]	306 586
Interest income	1 611 658
Other/miscellaneous income[b]	15 651 215
Total	**444 916 429**
Expenditure	
Other	453 457 837
Programme support costs (implementing partners)	31 741 874
Subtotal direct expenditure	**485 199 711**
Programme support costs(United Nations)	13 603 075
Total	**498 802 786**
Excess (shortfall) of income over expenditure	(53 886 357)
Prior period adjustments[c]	(154 475)
Net excess (shortfall) of income over expenditure	**(54 040 832)**
Transfers (to) from other funds[d]	190 674
Reserves and fund balances, beginning of period	218 556 447
Reserves and fund balances, end of period	**164 706 289**

[a] Represents allocation from the United Nations Fund for International Partnerships.

[b] Includes provisional cancellation of prior period obligations of $12,904,611, related programme support costs, adjustments of $387,138 and gain on fluctuation of exchange rates of $2,359,456.

[c] Represents adjustments to prior biennium expenditures reported by implementing partners.

[d] Represents transfer from the loan component of the Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

Annex II

Central Emergency Response Fund grant element: contributions pledged for the period from 1 January to 31 December 2012

(United States dollars)

Contributor	*Pledged contributions*[a]
Member States and observers	
Afghanistan	1 000
Albania	50 000
Andorra	26 316
Argentina	68 000
Armenia	5 000
Australia	16 227 181
Austria	262 123
Belgium	19 480 519
Bhutan	1 500
Brazil	750 000
Chile	30 000
China	500 000
Colombia	100 000
Czech Republic	124 372
Denmark	23 260 585
Djibouti	1 000
Egypt	15 000
Estonia	100 185
Finland	8 519 004
France	392 670
Germany	19 402 500
Ghana	15 000
Guyana	2 196
Iceland	–[b]
India	500 000
Indonesia	200 000
Ireland	11 654 278[c]
Israel	20 000
Italy	645 900
Japan	2 700 000
Kazakhstan	99 945
Kuwait	1 000 000
Liechtenstein	272 747
Lithuania	10 000

Contributor	*Pledged contributions*[a]
Luxembourg	5 630 027
Malaysia	50 000
Mexico	300 000
Monaco	64 715
Montenegro	5 000
Mozambique	2 000
Myanmar	10 000
Netherlands	52 562 418
New Zealand	1 679 375
Norway	71 183 178
Pakistan	10 000
Peru	5 000
Poland	264 200
Portugal	253 520
Qatar	3 000 000
Republic of Korea	4 000 000
Republic of Moldova	2 000
Romania	92 461
Russian Federation	2 000 000
San Marino	27 291
Singapore	50 000
South Africa	243 457
Spain	–[b]
Sri Lanka	10 000
Sweden	72 938 375
Switzerland	6 131 550
Tajikistan	2 000
Thailand	20 000
Turkey	200 000
United Arab Emirates	50 000
United Kingdom of Great Britain and Northern Ireland	94 717 442
United States of America	5 000 000
Uruguay	5 000
Viet Nam	10 000
Sovereign Military Order of Malta	5 000
Total, Member States and observers	**426 961 030**
Others	
Government of Flanders (Belgium)	380 940
Private donations outside United Nations Foundation (under $50,000)	5 000

Contributor	*Pledged contributions*[a]
Private donations through United Nations Foundation (under $50,000)	56 586
Western Union	250 000[d]
Total, others	**692 526**
Total	**427 653 556**

[a] Contributions may differ from the originally recorded pledges owing to fluctuations in exchange rates.

[b] The pledges for 2012 from Iceland ($50,000) and Spain (€2,000,000) were communicated and paid in 2013, and will be reflected in next year's report.

[c] Includes the pledge for 2013 from Ireland (€5,000,000), which was communicated and paid in 2012.

[d] Includes the pledge for 2011 from Western Union ($100,000), which was communicated and paid in 2012.

Annex III

Total grants disbursed from the Central Emergency Response Fund from 1 January to 31 December 2012

(United States dollars)

Country or area	*Rapid response*	*Underfunded*	*Total disbursement*
Afghanistan	–	9 995 396	9 995 396
Angola	5 102 132		5 102 132
Burkina Faso	14 869 587		14 869 587
Burundi	1 986 269		1 986 269
Cameroon	8 802 092	1 997 430	10 799 522
Comoros	2 522 639		2 522 639
Central African Republic	1 993 713	5 997 499	7 991 212
Chad	9 881 234	7 931 609	17 812 843
Colombia	1 093 884	2 990 259	4 084 143
Congo	6 997 499	3 920 678	10 918 177
Côte d'Ivoire	1 526 060	7 958 195	9 484 255
Cuba	5 522 753		5 522 753
Democratic People's Republic of Korea	2 382 271	10 965 527	13 347 798
Democratic Republic of the Congo	19 715 742	11 770 546	31 486 288
Djibouti	–	4 019 325	4 019 325
Eritrea	3 291 599	3 998 941	7 290 540
Ethiopia	4 072 334	9 912 447	13 984 781
Gambia	4 834 117		4 834 117
Ghana	312 440		312 440
Guatemala	1 654 130		1 654 130
Guinea	1 126 380		1 126 380
Haiti	3 947 974	7 949 515	11 897 489
Iraq	2 567 704		2 567 704
Jordan	3 994 809		3 994 809
Kenya	2 000 830		2 000 830
Lebanon	2 978 910		2 978 910
Lesotho	6 220 011		6 220 011
Madagascar	–	1 999 893	1 999 893
Mali	13 954 347		13 954 347
Mauritania	10 971 652		10 971 652
Myanmar	16 651 567		16 651 567
Nepal	–	4 997 385	4 997 385
Niger	24 609 716		24 609 716
Pakistan	21 891 110	14 845 730	36 736 840
Paraguay	2 577 014		2 577 014
Peru	2 221 613		2 221 613

Country or area	*Rapid response*	*Underfunded*	*Total disbursement*
Philippines	11 235 977	3 955 432	15 191 409
Rwanda	3 077 082		3 077 082
Senegal	6 932 070		6 932 070
Sierra Leone	2 461 235		2 461 235
South Sudan	20 027 456	20 016 635	40 044 091
Sri Lanka		1 994 899	1 994 899
Sudan	6 163 967	13 994 482	20 158 449
Syrian Arab Republic	29 493 103	6 983 629	36 476 732
Togo	686 120		686 120
Turkey	2 086 822		2 086 822
Uganda	6 887 544		6 887 544
Yemen	23 460 436		23 460 436
Zimbabwe	2 006 304		2 006 304
Total	**326 792 248**	**158 195 452**	**484 987 700**

Note: The amounts listed in the present annex are of total funds disbursed on a cash basis and are different from the accrual-based expenditure amounts listed in annex I.

Annex IV

Central Emergency Response Fund loans: statement of income and expenditure and changes in reserves and fund balances for the period from 1 January to 31 December 2012

(United States dollars)

Income	
Interest income	190 674
Total	**190 674**
Expenditure	
Programme support costs (implementing partners)	–
Subtotal direct expenditure	–
Programme support costs (United Nations)	
Total	–
Excess (shortfall) of income over expenditure	**190 674**
Transfers (to) from other funds[a]	(190 674)
Reserves and fund balances, beginning of period	30 000 000
Reserves and fund balances, end of period	**30 000 000**

[a] Represents a transfer to the grant element of the Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

Annex V

Central Emergency Response Fund loans from 1 January to 31 December 2012

(United States dollars)

Agency	*Country/region*	*Year of disbursement*	*Amount*
Outstanding loans as at 1 January 2012			
UNDP	Sudan	2007	1 016 036
UNOPS	Libya	2011	1 599 565
Total			**2 615 601**
Loans disbursed from 1 January to 31 December 2012			
Total			–
Loans repaid from 1 January to 31 December 2012			
UNDP	Sudan	2007	1 016 036
UNOPS	Libya	2011	1 599 565
Total			**2 615 601**
Outstanding loans as at 31 December 2012			
Total			–

Abbreviations: UNDP, United Nations Development Programme; UNOPS, United Nations Office for Project Services.